



# State underwriting loans for washed-out farms

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317.637.9078 | Wednesday, July 02, 2008

INDIANAPOLIS | State Treasurer Richard Mourdock committed \$50 million Wednesday to provide low-interest loans to farmers whose fields were washed out by fierce flooding last month.

"I don't believe the waters had even crested in many parts of Indiana when the governor called and asked us to put on our thinking caps and see if there was something we might do to help provide aid to Indiana's farmers," Mourdock said. "I'm pleased the treasurer's office will play a part in helping Hoosier farmers restore their flood damaged farmlands."

The state money will be used as deposit insurance at local banks in the 73 counties affected by the June floods, including Benton and White counties.

By agreeing to accepted a lower rate of return on the money it deposits, the state will curb the interest rates the banks charge farmers. Mourdock said the move means farmers will pay as little as 2.75 percent in interest, instead of the current market rate of 5.5 percent.

The one-years loans are designed to help farmers put up the local match they need to enroll in federal land conservation programs to help restore damaged fields. Most of the programs have match rates of at least 3-1, meaning the state money could leverage \$200 million in federal funds.

Indiana Agriculture Director Andy Miller said as much as 9 percent of the state's corn and soybean crops were underwater at the height of last month's flooding. It's not yet clear how much of that acreage farmers were able to replant.

"I still believe this will go down in history as one of Indiana's worst agricultural disasters," Miller said.

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